

From: Paul Matthews
Sent: Wednesday, April 18, 2018 12:36 PM
To: Sandy Sanders
Subject: FW: Finalize RAM/PLT Project

From: Ken Rathburn <krathburn@dwyercambre.com>
Sent: Wednesday, April 18, 2018 11:17 AM
To: Paul Matthews <pmatthews@pphtd.com>
Subject: Finalize RAM/PLT Project

Paul:

We need a term sheet, and have needed it for at least a month. That remains, in my opinion, the root of 90% of the misunderstandings. I believe its absence has been used by Eric/Mark/Chris as a way to say, "Oh, well we have been progressing with the understanding that the Port would be OK with _____".

We need an appraiser who can get the appraisal from \$24MM up to \$30.5MM. Eric has assured me he's working on it, and will have some names for me, hopefully next week.

After the term sheet, we need to flesh out the details of a land lease (meaning how the Port gets paid). We need to establish who gets paid from revenues, and in what priority. They want to have the PILOT payments Port lease payments take a back seat to bond payments. Someone better get that clear with the Council now, not later, because the Council, at least from my perspective, is thinking the PILOT payments will be like and take the same priority as ad valorem taxes.

As you can see from my email I copied you on, to bond counsel, I asked her to weigh in on this, because I wanted her perspective, and not me telling you what her perspective was.

In closing, I may be overstepping, but I am going to lay my opinion on the line for you (and ask you to share it with Sandy): Mark, Eric, and yes even Chris, do not have your best interests as Job 1. Further, they believe they have the Port desperate for a "win". I say this as a lead-in for my final observation: you note that, ultimately, you want to see this project done. I urge you and Sandy to honestly self-reflect, and ask yourselves: "At what price?" If the answer is "any", you then need to ask yourselves an additional question: should the Port be paying Ken Rathburn to work on this file? That's me being as honest as I know how to be, because the answer likely should be "no", and that's certainly not in my self-interest to say that.

Regards,
Ken

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